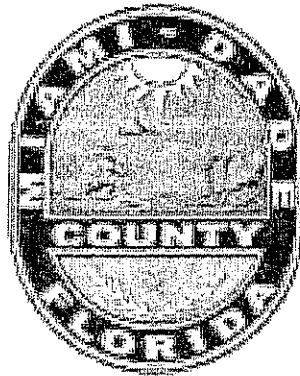


# **Miami-Dade County**

Stephen P. Clark Government Center  
111 N.W. 1st Street  
Miami, Fl. 33128



## **LEGISLATIVE ANALYSIS**

Wednesday, June 21, 2004  
10:00 AM  
Commission Chambers

**Board of County Commissioners**

**Economic Development and Human  
Services Committee**

**ED & HS Committee ITEM 2 (B)**  
**July 21, 2004**

**LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT**  
*RESOLUTION AUTHORIZING THE COUNTY MANAGER TO EXCHANGE ONE MILLION DOLLARS OF FY 2003 HOME INVESTMENT PARTNERSHIP (HOME) FUNDS ALLOCATED IN RESOLUTION NO. R-1035-03 WITH ONE MILLION DOLLARS IN SURTAX FUNDS FOR THE DEVELOPMENT OF K-PLACE LOFTS AND AUTHORIZING THE COUNTY MANAGER TO EXECUTE SUCH CONTRACTS AND AGREEMENTS AS ARE REQUIRED; AND TO EXERCISE THE CANCELLATION PROVISIONS CONTAINED THEREIN*

Commissioner Bruno A. Barriero

**I. SUMMARY**

This resolution authorizes an exchange of FY 2003 HOME Funds with Surtax Funds for the development of K-Place Lofts, a mixed use hi-rise development.

**II. PRESENT SITUATION**

Presently, the development was awarded FY2003 Surtax funds during the Consolidated Funding process.

**III. POLICY CHANGE AND IMPLICATION**

The policy change associated with this item would facilitate the exchange of FY 2003 HOME funds with Surtax funds. According to the item, this funding exchange will allow for 11 units for workforce housings to be developed in the first phase of construction.

**IV. ECONOMIC IMPACT**

The economic impact associated with this item is an even exchange from one funding source to another (FY2003 HOME to SURTAX).

**ED & HS Committee ITEM 2 (B)**  
**July 21, 2004**

**V. COMMENTS AND QUESTIONS**

- *During the original funding request (FY2003 HOME Funds) how many units were designated for workforce housing?*
- *What is the timeline for this project?*
- *What is the total cost for this development, and how much is the developer receiving in private funds for this development?*
- *What is the exact number of residential units (the item states that there will be over 197)?*
- *What is the sales price of these units? Specifically, what will be the cost of the 11 workforce housing units? Will there be additional funding assistance to the perspective residents that will occupy the 11 units?*

*Note: See attachment*



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FME > Publications > Periodicals, Reports, and Census Notes > Housing Facts & Findings > Volume 4 Issue 2

## HOUSING FACTS & FINDINGS

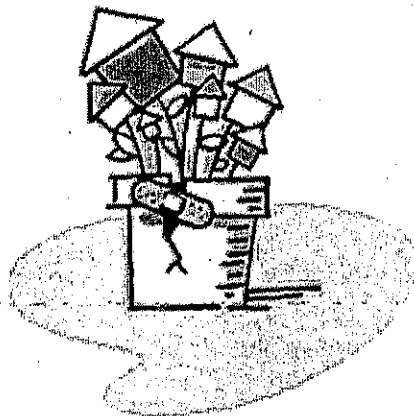
### Volume 4 Issue 2

Workforce Housing: The New Economic Imperative?  
By Carol A. Bell

#### The Need for Workforce Housing

"Workforce housing" has emerged in recent months as a concern not only of housing advocates but also policy makers and employers. Even the term itself—workforce housing—was rarely heard until recently. But with housing costs in many areas increasingly exceeding the financial reach of many low- to moderate-wage workers, people are taking notice.

Last year the National Housing Conference published "Paycheck to Paycheck: Working Families and the Cost of Housing in America," which studied the availability of decent, affordable housing for workers in five "vital occupations" in 60 of the nation's largest housing markets. Noting that administrative support and clerical occupations and service jobs account for about one-third of the nation's workforce, the analysis looked at workers in these occupations: janitors, elementary school teachers, police officers, licensed practical nurses, and retail salespersons. The report found that janitors could rent a one-bedroom apartment for no more than 30 percent of their income in only 6 of the 60 metropolitan areas, and salespersons could afford a one-bedroom on the same income standard in just 3 of the areas. The report also looked at homeownership and determined that households dependent on one elementary school teacher's or one police officer's salary alone cannot afford to buy a median priced home in two-thirds of the metropolitan areas. "Licensed Practical Nurses are priced out of all but the lowest cost-to-income markets," the report continued, "while Janitors and Retail Salespersons cannot afford to purchase a home across the board."



Demonstrating the growing level of concern about workforce housing, a crowd of more than 300—including policy makers, employers, and representatives of business groups—attended a recent (April 2002) Workforce Housing Summit in San Francisco. And Boston Mayor Tom M. Menino, President of the U.S. Conference of Mayors, as one of his first actions when he took over USCM in May, called mayors together for a National Housing Forum to address the need for workforce housing.

#### Economic Implications

The shortage of housing for low- and moderate-wage workers is taking an economic toll across the country.

A study conducted late last year (2001) for the Family Housing Fund in Minnesota found a serious shortage of workforce housing in the Twin Cities (Minneapolis-St. Paul) metropolitan area. The report said: "The Twin Cities loses out on roughly \$128 million in annual consumer spending because it does not provide workforce housing to meet pent-up demand. The lack of workforce housing also causes Twin Cities businesses to lose out on an estimated \$137 million in income annually because prospective workers cannot find housing."

Long Island (New York) is the home of Levittown, once the quintessential model of affordable homeownership. But today "...children who grew up on Long Island cannot afford to live here," according to Matthew Crosson, as quoted in the *New York Times*. Crosson, president of the Long Island Association, a business group, also told the *Times* "There is no more important human or economic problem confronting Long Island today than affordable housing." The *Times* went on to say that "...employers have a hard time recruiting workers and paying the salaries to meet housing costs." Mr. Crosson said "We're strangling ourselves."

Some workers can only find affordable housing by living far from their jobs and enduring long commutes—which does not make for a happy workforce. Availability of affordable housing within a reasonable commuting distance is a key factor for business location decisions.

#### An Action Agenda

Employers are beginning to take an active role in ensuring availability of workforce housing.

The San Francisco Chamber of Commerce has organized the Workforce Housing Initiative, a partnership of employers and government agencies. In announcing the Initiative—geared to moderate-income workers—the chamber said "...many employers have reported that it is very difficult to recruit and retain workers in San Francisco." As part of the Initiative, the Chamber is establishing the San Francisco Workforce Housing Fund, which will finance second mortgages made through the Initiative to provide homeownership opportunities for workers.

Even in more affordable housing markets, concern about availability of workforce housing for critical public service occupations is triggering action. Hibernia National Bank recently launched a low-cost flexible mortgage program targeted to school teachers, firefighters, and police officers in Louisiana and East Texas.

#### IN THIS SECTION

##### WHAT'S NEW

CATALOG OF PUBLICATIONS

HOME-BUYING GUIDES

ANNUAL REPORTS

EDUCATIONAL TOOLS AND TRAINING MANUALS

##### PERIODICALS, REPORTS, AND CENSUS NOTES

HOUSING IN THE NATION'S CAPITAL

HOUSING FACTS & FINDINGS

VOLUME 6 ISSUE 2

VOLUME 6 ISSUE 1

VOLUME 5 ISSUE 4

VOLUME 5 ISSUE 3

VOLUME 5 ISSUE 2

VOLUME 5 ISSUE 1

VOLUME 4 ISSUE 5

VOLUME 4 ISSUE 4

VOLUME 4 ISSUE 3

VOLUME 4 ISSUE 2

VOLUME 4 ISSUE 1

VOLUME 3 ISSUE 2

VOLUME 3 ISSUE 1

VOLUME 2 ISSUE 4

VOLUME 2 ISSUE 3

VOLUME 2 ISSUE 2

VOLUME 2 ISSUE 1

VOLUME 1 ISSUE 4

VOLUME 1 ISSUE 3

VOLUME 1 ISSUE 2

VOLUME 1 ISSUE 1

INSIGHTS

BUILDINGBLOCKS

HOUSING POLICY DEBATE

JOURNAL OF HOUSING RESEARCH

PERSONAL FINANCE CASE STUDIES

CENSUS NOTES AND DATA

REPORTS

## MF | Workforce Housing: The New Economic Imperative?

Employer-assisted housing initiatives have gained popularity in recent years, partly in response to the diminishing availability of workforce housing. Some employers provide direct financial assistance to help their workers purchase homes, or support efforts such as the Workforce Housing Initiative, but those strategies only address the demand side of the equation.

Some employers are recognizing that it is in their own interests to help address the supply side as well. For example, the Greater Minnesota Housing Fund provides incentives for employers to contribute toward development of affordable rental housing. The Silicon Valley Manufacturers Group—an organization of employers in one of the country's most expensive housing markets—has been actively involved in housing issues for several years. Its Housing Action Coalition sends members to speak at public meetings in support of new housing developments.

The Housing Trust Fund of Santa Clara County (California) is a public-private partnership that includes "corporate investors." One of the Fund's strategies is to provide gap financing for affordable housing development projects. The Fund has raised more than \$20 million since 1999; major business contributors include Hewlett-Packard, Adobe, Intel, and media company Knight Ridder.

### From NIMBY to YIMBY

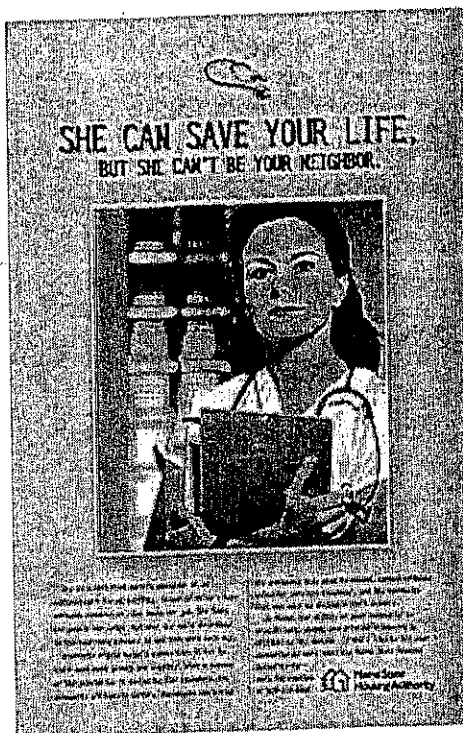
Despite concern about the need for workforce housing, NIMBY ("Not in My Backyard") attitudes persist, hindering efforts to build more affordable rental and ownership housing. But some anti-NIMBYism efforts are emerging.

Most people would not think of Maine as an expensive place to find housing. Yet the Maine State Housing Authority (MSHA) is so alarmed by the shortage of workforce housing and by reports citing local opposition as one of the prime obstacles to developing housing that it has launched a counterattack to NIMBYism. MSHA is sponsoring an advertising campaign portraying firefighters, teachers, and nurses as unable to find affordable housing in the communities where they work. Michael Finnegan, MSHA Director, commented "Many people may not realize that preventing the development of housing, over time, will eventually destroy the community's ability to accommodate economic growth."

Residents of the Parkside neighborhood in San Francisco recently "shot down a plan to build an apartment building for 15 to 20 school teachers—at least partly on fears that such 'project housing' would lead to increased crime in their neighborhood" as reported by the *San Francisco Business Times*. But in the same city, the San Francisco Organizing Project, composed of religious and community leaders, has established a YIMBY—"Yes, in My Backyard"—initiative to encourage affordable housing development.

When the Family Housing Fund distributed its report "Workforce Housing: The Key to Ongoing Regional Prosperity," an accompanying cover letter stated that "workforce housing is not only a sound investment, but also a critical investment for the Twin Cities' future economic prosperity." The report argued that subsidies for workforce housing would benefit the region's economy, estimating that each dollar of subsidy investment would stimulate a net gain of \$8.13 in economic benefit to the region over the next 15 years. If money talks, these figures should attract a few listeners.

*Carol A. Bell is Editor of Housing Facts & Findings and Director, Knowledge Access, at Fannie Mae Foundation.*



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**ED & HS Committee ITEM 4 (A)**  
**July 21, 2004**

**LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT**  
*RESOLUTION AUTHORIZING EXECUTION OF RETROACTIVE FINAL CHANGE ORDER TO THE CONTRACT WITH CUESTA CONSTRUCTION CORPORATION FOR THE NORTHWEST BUILDING REMODELING PROJECT; AND AUTHORIZING THE COUNTY MANAGER TO EXERCISE ANY AND ALL OTHER RIGHTS CONFERRED THEREIN*

General Services Administration Department

**I. SUMMARY**

This item authorizes retroactive final change order to the contract with Cuesta Construction Corporation for Northwest Building remodeling project.

**II. PRESENT SITUATION**

Previously, a change order was approved that transferred \$200,000 from construction contingency to the existing base of the contract of \$2,591,011 for a new contract value of \$2,791,011. Furthermore, change order number one also added an additional 136 days to the duration of construction.

**III. POLICY CHANGE AND IMPLICATION**

The policy change would allow Cuesta Construction Corporation to receive retroactive construction costs and 319 non compensable calendar days to the contract time. In totality, the contractor will be compensated for regulatory changes, operating department changes, design errors, as well as a time extension.

ED & HS Committee ITEM 4 (A)  
July 21, 2004

IV. ECONOMIC IMPACT

SUMMARY OF CONTRACT AMOUNT

CHANGE ORDER NUMBER ONE	FINAL CHANGE ORDER
Original Cost of the Contract \$2,591,011	Addition to the contract \$72,575
Transfer of \$200,000	Additional 319 non-compensable days
Additional 136 Calendar days	Change order one and two/final represent an increase of 10.5%
New Contract Value \$2,791,011	Total Contract Amount \$2,863,586.00

V. COMMENTS AND QUESTIONS

- *When was this contract awarded?*
- *Why are the regulatory changes included in the original scope of the contract?*
- *According to the contract the consultant should not be paid additional compensation for work associated with changes to the contract when the cumulative construction cost of errors and omissions exceed 6 % of the original contract amount. The consultant's errors and omissions as it relates to this contract do not exceed 1%. Is the threshold (percentage) justifiable, or should it be lowered in an effort to reduce the amount being paid as it relates to design errors?*

**ED & HS ITEM 4 (H)**  
**July 21, 2004**

**LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT**

*RESOLUTION AUTHORIZING THE COUNTY MANAGER OR HIS DESIGNEE TO  
RELEASE COUNTY LIENS FROM PROPERTY OWNED BY CITYWIDE  
DEVELOPMENT CORPORATION, INC., FOR PURPOSES OF INFILL HOUSING  
DEVELOPMENT*

Miami Dade Housing Agency

**I. SUMMARY**

This resolution authorizes the release of County liens from property owned by Citywide Development Corporation, Incorporated for the construction of a single family home.

**II. PRESENT SITUATION**

Presently, the County has a methodology in place for the identification and transfer of property stipulated and defined as Infill Housing Initiative. This initiative is in accordance with Florida Statute Section 125.38. The identifiable parcels are conveyed to qualified community development corporations that are capable of readily developing affordable housing for residents of Miami-Dade County.

**III. POLICY CHANGE AND IMPLICATION**

This item is consistent with County policy.

**IV. ECONOMIC IMPACT**

The lien amount associated with this item is in the amount \$36,925.



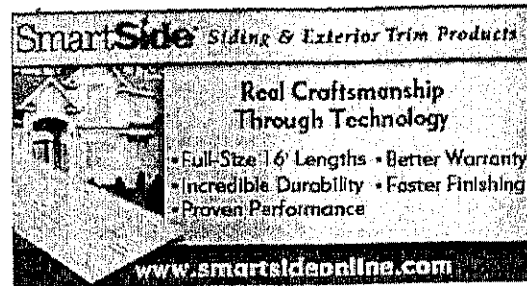
**ED & HS ITEM 4 (B)**

**July 21, 2004**

**V. COMMENTS AND QUESTIONS**

- How many homes has this developer completed?
- See attachment

# HousingZone



## InFill Housing Boosts Urban Economy

Brookings Institution

Bill Lurz, Senior Editor

06/01/2004

Powerful forces are aligning to make urban infill housing not only a profitable niche market but one where builders and local governments are natural partners rather than adversaries. That's the conclusion from remarks by Amy Liu, deputy director of the Center on Urban & Metropolitan Policy at The Brookings Institution, who spoke at the recent Midyear Legislative Meeting of National Association of Realtors in Washington.

"Demographics may benefit high density development," Liu said. "The population is aging, and by 2020, the share of people in all age groups will be

nearly the same. Household size is shrinking, and cities become more diversified, fueled by Asians and Hispanics."

While decentralization still dominates nationally, with suburban populations still growing faster than urban ones during the last decade, immigration is sustaining the growth of cities, she said. "High densities and vibrant downtowns attract talented workers, lead to higher economic activity and save tax dollars."

States and local governments should promote reinvestment and infill development with policies such as:

- 1) vacant land reform,
- 2) zoning and land-use reform, and
- 3) incentives to improve main streets.

"They need attractive, high-density developments," she said.

<http://www.housingzone.com/topics/pb/management/pb04fa023.asp>



**LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT**  
*RESOLUTION AUTHORIZING A MODIFICATION TO THE MORATORIUM ON  
ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTIONS OF THE COUNTY'S  
ENTERPRISE ZONE PROGRAM FOR BUSINESSES IN THE MIAMI INTERNATIONAL  
AIRPORT TERMINALS; AUTHORIZING THE PROCESSING OF NINE (9) AD  
VALOREM TAX EXEMPTION APPLICATIONS FILED BY AIRPORT COMPANIES  
PRIOR TO MAY 6, 2003; AND AUTHORIZING OTHER ENTERPRISE ZONE  
INCENTIVES TO REMAIN UNCHANGED UNTIL THE EXPIRATION OF THE STATE  
OF FLORIDA ENTERPRISE ZONE PROGRAM*

Office of Community and Economic Development

**I. SUMMARY**

This item recommends that the moratorium on the acceptance and granting of Ad Valorem Tax Exemptions (Tax Abatement) to businesses expanding or locating in the Miami International Airport terminals be maintained. Additionally, this item recommends that all applications requesting Ad Valorem Tax Exemptions that have been filed with the County prior to May 6, 2003, the date in which the moratorium was instituted, be grandfathered in. Moreover, this item recommends that the Board of County Commissioners (BCC) continue to enforce the residency requirement, such that 20% of the total workforce must reside within the zone in order for said business to receive the maximum tax abatement. It is recommended that this provision/requirement remain unchanged until the duration of the County's program in June of 2005.

**II. PRESENT SITUATION**

On February 11, 2003, three applications (Starbucks, Samuel Adams, and Budweiser Brewhouse) for Ad Valorem Tax Abatement were withdrawn from consideration prior to the implementation of moratorium. Six companies have been granted tax abatement in the Miami International Airport terminals (Sbarro, Home Turf, Food Court, Smarte Carte, Burger King, and Nathan's Franchise).

**III. POLICY CHANGE AND IMPLICATION**

This resolution will grandfather the three companies that were withdrawn prior to the implementation of R-517-03.

**ED & HS Committee ITEM 4 (K)**  
**July 21, 2004**

**IV. ECONOMIC IMPACT**

Collectively, the six companies have received \$75,780 over a five year period (\$15,156 annually) in tax relief. This resolution would increase the total amount received by at least \$20,000.

**V. COMMENTS AND QUESTIONS**

The arguments still remain the same, and are still valid. Miami International Airport is the County's largest economic generator, thus businesses desire this prime location and therefore do not need additional stimulus such as Ad Valorem tax abatement. At the time the original ordinance was enacted (April 19, 1988), the business climate in Miami Dade County was in need of additional stimulus.